

Forallphones



Norway

How can Forall Phones, a Portuguese SME operating in the thriving market of refurbished smartphones, successfully expand through Europe?

5. In-Depth Country Analysis

5.4. Norway In-Depth Country Analysis

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**SME Competitiveness and
Internationalization Field Lab**

Fall Semester 2019/2020

22-01-2020

A Work Project, presented as part of the requirements for the Award of a Master's degree in Management from the Nova School of Business and Economics.



Norway shows signs of a robust economic performance, which are enhanced through the reinforcement of strong trade terms with the EU and the forceful labor market. The sustainability and circular economy are some of the main topics of the country's agenda, from which Forall Phones could benefit.



5.4. In-Depth Norway Analysis

5.4.1. Country Overview

PESTEL Analysis

Norway is not a member of the EU, however, it has several privileged agreements, as the EEA EFTA Agreement and bilateral agreements with the EU, meaning the country can access EU's large market. Thus, it has free circulation of goods and services, persons and capital.¹

Regarding Governance and Democracy, the country is ranked as the third best worldwide, which reflects the political stability, the transparent and open political system, the strong protections about the civil rights, and liberty that the government provides.² Furthermore, the Norwegian government is creating policies that emphasise the circular economy.³

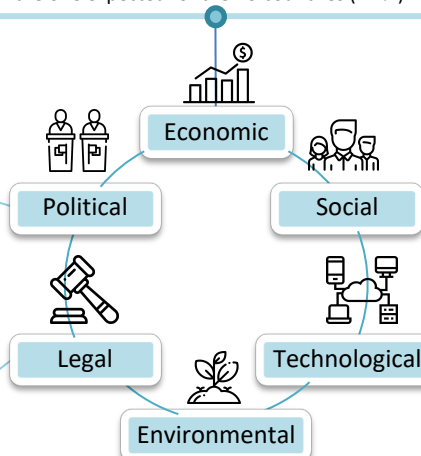
For Forall Phones, conducting a business in Norway will be similar as doing it in the EU. Additionally, the country is politically more trustable than Portugal.

Legally, the country has a strong and transparent legal system (principles of the Scandinavian civil-law system).²

Concerning tax laws, the income and consumption taxes are high, while the corporate rates are considered moderate.

Norway's environmental regulatory system is well-developed and highly sensitive to ecological issues, being the best country ranked worldwide on this aspect.⁴ For example, new directives require higher recycling levels of packages in Norway, and promote the increase of reusable packaging, condition that Forall Phones already fulfils. Also, in 2018, the Parliament pressured the Government to create specific laws to promote the national circular economy.⁵

Even if the economy has been slowing down in many advanced countries, Norway's economy continues to grow strongly. The reason is that the weaker krone is attractive to exporters, the unemployment remains low while the average wage keeps increasing, and the oil and gas revenues achieved peak values, however are expecting to drop soon.⁶ The expected GDP growth rate in Norway is 1.9%, which is higher than the one expected for the EU countries (1.2%).⁷



Norway has been increasing its efforts when it comes to solving ecological, environmental and pollution issues. As stated in the Legal factor, the country's government and NGOs are working on several initiatives to promote circular economy. For example, only about 1% of the waste goes to landfills, while the rest is valorized as much as possible. Furthermore, Oslo has the goal of becoming the circular economy capital of the world.⁸ Having that said, Forall Phones' business model would fit perfectly in Norway's sustainable vision.

As most of the EU's countries, Norway faces an increasing ageing population. Overall, the population of 5.3 million individuals, from which 83% live in urban areas, is expected to grow at a 0.77% yearly growth rate, in 2019.⁹

Regarding the buyer behaviour, Norwegians are particularly attracted by new technological products and are willing to pay a premium for good quality. They like to research the products before buying in stores/online, and 63% of Norwegians do at least one monthly purchase online, with an average spent around €220. In general, buyers are loyal to national brands, still, they find foreign products appealing. Also, a more environmentally friendly consumption style is being adopted in Norway, and, for that reason, the online second-hand market is booming.¹⁰ Forall Phones' refurbished iPhones would fit perfectly as a high quality product that fulfils the Norwegian buyers current trends.

In Norway, businesses have been shifting from the famous industries (related to the natural resources) to the technology industry.¹¹ The country "has a massive stock of world-class software-engineering talent" and "a thriving tech ecosystem", therefore, Norway might become the next big tech hub.¹² Several Norwegian tech-related startups had success in recent years and, with more frequency, companies try to focus on how to solve the problems of the modern society with technological advancements. For example, research organizations are investing in areas, such as the recycling and sorting technology field.¹³ Once more, Norway seems to provide an ideal environment for Forall Phones to thrive when going abroad.

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In general, when it comes to the contacts, several were identified from which Forall Phones can take advantage of. Additionally, those agents, distributors, government agencies, associations, and organizations can ease the entry process in Norway and provide knowledge regarding the market and the laws and policies Forall Phones will have to comply. Additionally, there are no language barriers, due to the fact that English is widely accepted between Norwegians.



5.4. In-Depth Norway Analysis

5.4.2. Contacts



Agents and Distributors

An **agent** could introduce customers to Forall Phones, and, if a sale is closed, would receive a fee. This agent can provide market knowledge and trade connections, while the company would have all the control of the business (control over marketing and pricing, maintain direct contact with the customer and be responsible for the financial risk). This is a way to test the market while saving costs, since the company can operate without establishing the sales operation in the country.¹⁴

The **distributor** would buy the products from Forall Phones at an agreed price and would sell them to a retailer/final customer. Similar to the agent, the distributor would also provide local knowledge and trade connections. However, in contrary to the first, the second would be responsible about the warehousing, storage, transport and importing, meaning Forall Phones would have less control. Nevertheless, this is a way to test the market without risk, because the distributor would retain all the financial risk, and Forall Phones would receive an upfront financial benefit.¹⁴

Most agents and distributors in Norway like to have exclusivity and are headquartered on the surroundings of Oslo.¹⁵ It is possible to find them through the internet: for example, the Global Trade website provides several information about distributors, such as the contacts and the industry specialization.¹⁶



Governments and Embassies

The main Government agencies one should consider, when starting a business in Norway, comprise customs, border guards, ministries/departments of the industry, port authorities, road police, standardization agencies, national security agencies and other government authorities.

In terms of registration, Norway relieved this step by providing online government and bank account registration.¹⁷ The Brønnøysund Register Centre is an administrative body of the government where companies can get registered online.¹⁸ Furthermore, the Government has monopolized some activities, such as the retail of alcohol and the postal services, and traditionally restrains the involvement of other companies in those sectors.¹⁹ However, Forall Phones business will not overlap with the activities of interest of the Government.



Associations and Organizations

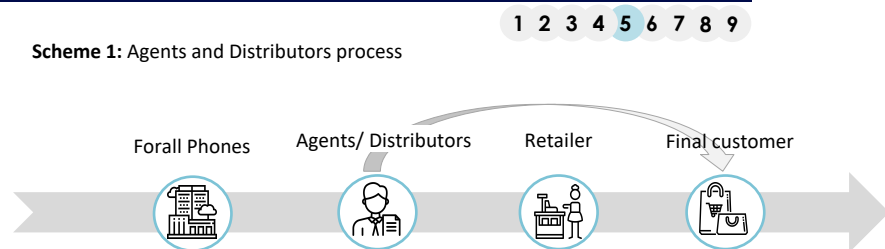
The Portuguese Norwegian Chamber of Commerce provides bilateral business opportunities between Norway and Portugal. This organization promotes and supports commercial initiatives in all areas.²⁰ Moreover, since Forall Phones sells refurbished smartphones, a key contact that the company might need is the Norwegian Electrotechnical Committee (NEK). This independent organization promotes the standardization of all electro technical products, and is informed about all regulations and standards, nationally, regionally and internationally, for small appliances and products that are used daily.²¹



Letters of Inquiry

Regarding letters of inquiry, the official language in Norway is the Norwegian.²² However, several languages are spoken in the country, and English is one of them. It is estimated that 90% of Norwegians speak English as a second language, and, in the business community, individuals speak English fluently. If Forall Phones employees do not master the Norwegian dialect, there is no concern, since in Norway there is an incredible acceptance of the English idiom.²³

Scheme 1: Agents and Distributors process



The biggest firms (Telenor and OneCall) are mobile operators that sell refurbished smartphones, which is not the core business. The remaining three are firms focused on the refurbishment of smartphones and other devices, having a business model more similar to the one Forall Phones has. Regarding the last, in 2018, the Portuguese firm had revenues around 16 times higher than Grønnmobil, My Trendy Phone and It Marked, bearing in mind that Forall Phones was operating in a different country.



5.4. In-Depth Norway Analysis

5.4.3. Competitor Analysis (1/3)

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Grønnmobil AS ²⁴



- Founded in 2011 in Norway and has the headquarters in Sandefjord, Norway;
- Geographical Coverage: Norway, Sweden;
- Does In-House Refurbishment;
- Refurbished Product Portfolio: All brands of refurbished smartphones and tablets;
- Market Positioning: It sells refurbished smartphones and tablets. It also repairs and buys smartphones directly from the clients;
- It only has the online store.

Website: <https://www.gronnmobil.no/>



OneCall ²⁵



- Founded in 2004 in Norway and its headquarters are in Nydalen, Norway;
- Geographical Coverage: Norway;
- Does In-House Refurbishment;
- Refurbished Product Portfolio: iPhones and Samsungs;
- Market Positioning: The core business is to supply mobile and IP telephony and broadband, however, it was the first mobile operator to sell refurbished smartphones;
- Only has the refurbished devices available online.

Website: <https://nettbutikk.onecall.no/nestenny>



Telenor ²⁶



- Founded in 1855 in Norway and has the headquarters in Fornebu, Norway;
- Geographical Coverage: This branch covers Norway;
- Does In-House Refurbishment;
- Refurbished Product Portfolio : Refurbished iPhones, Samsungs and Huawei's;
- Market Positioning: The core business is to supply mobile and IP telephony and broadband;
- Only has the refurbished devices available online.

Website: <https://nettbutikk.telenor.no/god-som-ny/>



It Marked ²⁷



- Founded in 2018 in Norway with the headquarters in Vestfold, Norway;
- Geographical Coverage: Norway;
- Does In-House Refurbishment;
- Refurbished Product Portfolio: Sells refurbished iPhones, iPads and computers;
- Market Positioning: The core business is to refurbish computers and laptops. Then, the company added the smartphones and tablets to the portfolio. Moreover, It Marked is specialized in Apple products;
- Online store.

Website: <https://itmarked.no/>



My Trendy Phone ²⁸



- Founded in 2003 in the UK and has the headquarters in Oslo, Norway;
- Geographical Coverage: UK, Denmark, Norway, Sweden, Germany, Spain, France, Portugal, Finland, Italy, Austria and Netherlands;
- Does In-House Refurbishment;
- Refurbished Product Portfolio: All brands of refurbished smartphones;
- Market Positioning: It is an online mobile phone shop that sells new and refurbished smartphones;
- Has only the online channel in Norway.

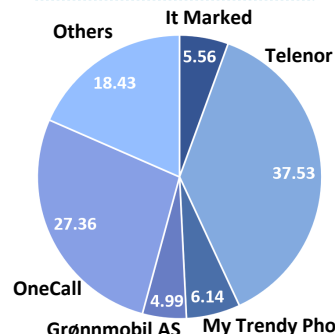
Website: <https://www.mytrendyphone.no/shop/frontpage.html>



Market Share and Sales in 2018

Graph 1: Market Share (%)

Table 1: Sales (€)*



Company	Revenues
Grønnmobil	396,738
Onecall	2,176,985
Others	1,591,260
It Marked	442,491
Telenor	2,985,892
My Trendy Phone	488,244

*For It Marked and OneCall, the revenues were estimated by having in consideration the competitors with similar market positioning:

• It Marked sales are an average of the sales of My Trendy Phone and Grønnmobil.

• For OneCall, a proportion was made considering both companies' total revenues and Telenor revenues for refurbished devices.

The Benchmarking provides helpful insights about the performance of the competitors in 4 dimensions (price, diversity, reviews and diversity), making possible to easily compare them with Forall Phones. The Portuguese company has a price slightly below the average, the second best reviews of this firm's bundle, the regular warranty and a huge diversity of iPhones.



5.4. In-Depth Norway Analysis

5.4.3. Competitor Analysis (2/3)

Reviews

The reviews of Forall Phones and My Trendy Phone were obtained in the Trustpilot platform. Telenor and OneCall reviews are an average of the feedback each iPhone had on each company's website. It Marked and Grønnmobil reviews were taken from Facebook. Fortunately, the review system was standardized from 0 to 5. All the companies performed well:

Forallphones unlimited possibilities 4.7 ☆

IT MARKED Brukt og renoveret IT-utstyr 4.8 ☆

grønnmobil.no kjøp brukt 4 ☆

OneCall 4.3 ☆

telenor 4.5 ☆

MyTrendyPhone 4.3 ☆

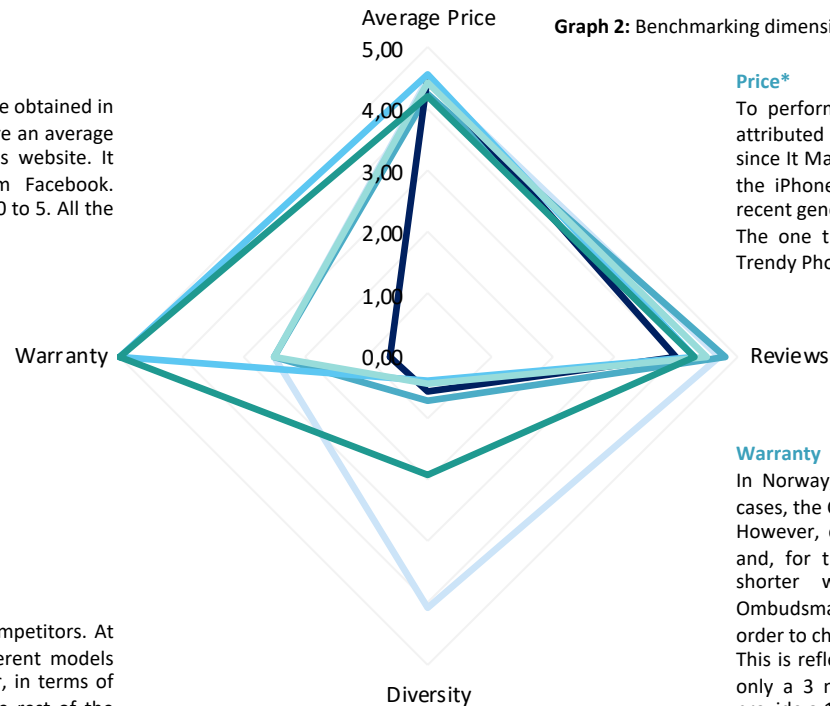
Diversity

Regarding diversity, Forall Phones outperforms the competitors. At the date of this analysis, Forall Phones had 163 different models available on the website, while the closest competitor, in terms of diversity, had only 77 models (My Trendy Phone). The rest of the competitors have less than 30 models available, which is considered low.

Benchmarking

1 2 3 4 5 6 7 8 9

Graph 2: Benchmarking dimensions and results



Price*

To perform a benchmarking of the average price, a ranking was attributed to all companies. It was necessary to do this procedure since It Marked only sells smartphones from older generations (until the iPhone 8), while Telenor and OneCall only sell iPhones from recent generations (above the iPhone 7 and 8, respectively). The one that practices the cheapest prices is OneCall, while My Trendy Phone provides the most expensive iPhones.

Warranty

In Norway, the minimum legal warranty is 2 years, and, in some cases, the Consumer Sales Directive allows it to be reduced to 1 year. However, consumers are not aware of the legal guarantee period and, for that reason, do not question when companies provide shorter warranties. Furthermore, the Norwegian Consumer Ombudsman confessed that is not supervising second-hand sellers in order to check if they are following the law.²⁹ This is reflected in the competitor analysis, since Grønnmobil offers only a 3 months warranty. Forall Phones, Telenor and It Marked provide a 1 year warranty, while both OneCall and My Trendy Phone give 2 years guarantee for the customer.

Forall Phones It Marked Grønnmobil OneCall Telenor My Trendy Phone

*Only iPhones available in the 5 countries were considered, in order to have a term of comparison: iPhone SE (16GB and 32GB), iPhone 6S (16GB, 32GB and 64GB), iPhone 6S Plus (16GB and 64GB), iPhone 7 (32GB and 128GB), iPhone 7 Plus (32GB, 128GB and 256GB), iPhone 8 and iPhone 8 Plus (64GB and 256GB for both), iPhone X (64GB and 256GB), iPhone XR (64GB) and iPhone XS (64GB and 256GB).

When looking at the weaknesses, one can understand that Forall Phones can fulfil the customer's low choice gap while practicing competitive prices. Additionally, in terms of price-quality, the Portuguese company appears to be able to offer the best product comparing to the other players. Nevertheless, Forall Phones needs to gain the trust of the customers in order to succeed, since Norwegians tend to prefer national brands.



5.4. In-Depth Norway Analysis

5.4.3. Competitor Analysis (3/3)



Strengths	Weaknesses
<ul style="list-style-type: none"> The firm has buyback programs, which are the main source of the devices. Thus, Grønnmobil relies less on the suppliers and has more control over the costs of acquiring iPhones. Recently, the company has seen a growth of 500%, yet with modest quantities sold.³⁰ 	<ul style="list-style-type: none"> The company provides a shorter warranty when compared to the closest competitors. If the industry starts being regulated more efficiently, this can be a problem for the firm. Additionally, it has the weakest reviews.



Strengths	Weaknesses
<ul style="list-style-type: none"> It Marked is a company that provides an ecological vision of the refurbished smartphone business. Clients that look for a more sustainable consumption style, can feel related to It Marked's purpose. Customers were pleased with their purchases and that was reflected in the reviews. 	<ul style="list-style-type: none"> Consumers that want to buy the latest technologies will not fulfil its needs with It Marked, since the most recent smartphone available is the iPhone 8. Norwegian customers like new technologies, and this local business is not providing it.

Strengths and Weaknesses



Strengths	Weaknesses
<ul style="list-style-type: none"> OneCall has contracts that allow the customers to change its smartphone every 12 months, meaning a lot of semi-new devices are returned and can be refurbished, to be sold again.³⁰ The purchase includes a brand new charger and earphones.³¹ 	<ul style="list-style-type: none"> OneCall refurbished product offering is not diverse, with only 13 different refurbished iPhone models available on the website. Since the company focused on selling only the most recent models, customers have fewer options when buying.

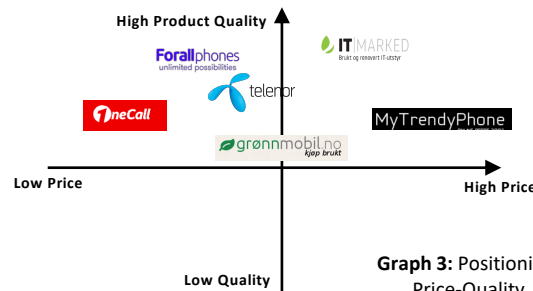
MyTrendyPhone

Strengths	Weaknesses
<ul style="list-style-type: none"> My Trendy Phone already operates in 11 countries, with the online channel, and has 2 physical stores in Scandinavia. This gives a huge knowledge to the company about conducting an international business. Currently, the company is the one with more refurbished models available in Norway. 	<ul style="list-style-type: none"> Even if the reviews are good, overall, customers complained about the long waiting time to receive the products, when buying online through the website. Additionally, this retail company sells more new devices than refurbished ones, meaning it is not specialized in this industry.

1 2 3 4 5 6 7 8 9



Strengths	Weaknesses
<ul style="list-style-type: none"> The firm is one of the biggest mobile telecommunication operators in the world, meaning that refurbishing smartphones increased the already immense portfolio. Moreover, Telenor has huge investment opportunities due to its ownership structure. 	<ul style="list-style-type: none"> Since refurbishing is not Telenor's core business, customers might not associate refurbished smartphones with the company, resulting in low brand awareness in the industry. Additionally, Telenor provides a low diversity of iPhone models to the clients.



The competitors' price in the graph is the same used in the benchmarking, while the quality is based on the reviews found about the players. As can be seen above, Forall Phones is the best in terms of price-quality, a feature that is appreciated by Norwegians, and all the firms have high product quality.

The positive trends in the refurbished smartphone industry and in the consumer behavior, combined with the market sales potential, stipulate that the refurbished smartphone market in Norway is highly promising, with a 1 and 5-year CAGR reflecting this attractiveness. When it comes to the market entry barriers, if a firm becomes a certified refurbisher and has the financial capabilities to expand to Norway, the barriers should be considerably lower.



5.4. In-Depth Norway Analysis

5.4.4. Market Sales Potential



Trends in the Industry

The increasing number of firms engaging in the refurbished smartphone industry can be explained by the possibility to capitalize on the thriving circular economy models, while reducing the business' environmental impact. Nonetheless, it is expected that the market has still a long way before becoming saturated, as the demand is rising. Most of the new players start refurbishing as a complement to its current business areas, and the majority already performed repairing services.²⁹ Moreover, the online Norwegian refurbishing market is growing exponentially for both environmental and economic reasons, as collaborative economies are seen as beneficial to all parties involved.¹⁰

Industry Market Potential

1 2 3 4 5 6 7 8 9



Unique Customer Requirements and Preferences

Norwegian customers find the newest technological products exciting and require an accurate quality-price relationship.¹⁰ However, since the new smartphones released are more expensive and hold fewer disruptive features, consumers search for alternatives, like refurbished smartphones, as they acknowledge the high value of these commodities and cherish the possible savings. Moreover, clients in Norway are leaning towards the SIM-only deals instead of picking the bundled option including the device, resulting in lower customer loyalty towards mobile operators and increased competition. Finally, customers are manifesting an increased preference for sustainable purchases.²⁹

Forecasts of Industry Sales*



Market Growth Rate

Positive Scenario
5-year CAGR: 12.65%

Negative Scenario
1-year CAGR: 7.35%

	2018	2019	2020	2021	2022	2023	2024	2025
Quantity	847,129	909,422	976,295	1,048,085	1,125,155	1,207,891	1,296,712	1,392,063
Sales (€)	430,200,139	461,834,244	495,794,541	532,252,031	571,390,365	613,406,677	658,512,594	700,147,334
Quantity			1,024,507	1,154,156	1,300,211	1,464,750	1,650,110	1,858,927
Sales (€)			520,278,194	586,118,078	660,289,831	743,847,832	837,979,885	944,024,110

Table 2: Forecast of Industry Sales

Delineation of Market Entry Barriers in Industry

There are no significant barriers of starting a business in Norway, as the country is in the 8th position of the Ease of Doing Business' Rank. Moreover, Norway has a score of 94.3 out of 100 when it comes to the time, procedures, cost and paid-in minimum capital to start a business. In specific, it takes 4 procedures and 4 days to establish the operations. Furthermore, the country has several trade agreements with European countries, so there is no relevant concern about the trade of goods between Portugal and Norway.¹⁷ Nevertheless, some obstacles related to the refurbished smartphone industry will be enhanced. The WEEE directives can complicate the process of acquiring used smartphones in Norway, since refurbishers must adopt the refurbishment certification standards, in order to become certified refurbishers and legal collectors of WEEE. Additionally, foreign firms need to have in mind that high wages and expensive logistics can undermine the viability of expanding the business in Norway.²⁹ Finally, as stated in the PESTEL, the Government and several organizations are promoting circular businesses, as the one Forall Phones conducts, since Oslo is working to become the circular economy capital of the world, which lowers the market entry barriers to companies that want to enter the Norwegian market and have a sustainable vision.

to compete in the intense Norwegian market, Forall Phones can take advantage of the lower home country's labor costs and current prices. Moreover, the firm can emphasize the high-quality refurbishment, which is key for the Norwegian consumer, and benefit from the clients' low switching costs. Finally, the market is growing, meaning that Forall Phones can win a reasonable market share (shown in the timetable) without facing a clear market leader, since currently there is none.



5.4 In-Depth Norway Analysis

5.4.5. Company Sales Potential



Intensity of the Competitive Environment

The intensity of the competitive environment can be measured by assessing the following factors ³²:

- There is a considerable **number** of small **competitors** with online stores, and two bigger players, previously identified.
- **The concentration of the market** is moderate since the Herfindahl-Hirschman Index is 0.26, thus, there is not a big disparity between the firms' size.
- The **product differentiation** is low and some companies try to **compete** by including new accessories with every purchase, while others are **positioned differently** to appeal to the environmentally conscious customers.
- Overall, customers have **low switching costs**, and can easily compare prices online. Nevertheless, the Norwegian Mobile Operators might have a higher customer loyalty, due to the trade-in programs.
- In Norway, most of the competitors buy used devices directly from the customers, meaning they have more **bargaining power** that might result in **lower** "raw material" **costs**.

It can be concluded that the competitive environment in Norway is intense, however, Forall Phones can take advantage of the lower home country's labor costs if continues to refurbish in the Portuguese lab. Furthermore, the firm can emphasize the high quality refurbishment, which is key for the Norwegian consumer, and benefit from the low switching costs to attract customers from the opposition. Finally, the market is moderately concentrated, meaning that Forall Phones can win market share without facing a clear market leader, since currently none is outperforming the other players by a significant difference. Moreover, it is also growing, creating a positive sum-game for all companies.



Pricing

In the Benchmarking Analysis, it was possible to conclude that Forall Phones practices quite competitive prices, with only OneCall charging more attractive amounts.

Moreover, the average price of the Norwegian market was computed by doing a mean price for all iPhone models previously considered with the firms that had it available, and then by calculating the average for those. The value for Forall Phones (€503) is slightly lower than the average price for the Norwegian market (€508).

The Norwegian consumer understands that refurbished smartphones are valuable goods and has the tendency of following the latest technological trends. Additionally, it is interested in reducing the footprint of its choices and considers the quality of the products a key aspect when purchasing. Therefore, since Forall Phones iPhones have a fair price, an incredible quality due to the rigorous in-house refurbishment process, a huge variety that comprises the latest models and provides customers a more sustainable choice, if the company is able to express clearly these aspects, the Norwegian consumer's perceived value will be high and the incentive to purchase maximized.

This gives to the firm a chance of practicing competitive prices, by keeping the current practiced prices.



Market Penetration Timetable*

	2020	2021	2022	2023	2024	2025
Reach	40%	40%	40%	40%	40%	40%
Conversion	0.5%	0.75%	1%	1.25%	1.5%	1.75%

Sales (€)	982,153	1,581,560	2,263,812	3,037,846	3,913,477	4,901,454
Market Share	9.13%	13.10%	16.74%	20.08%	23.17%	26.03%

Sales (€)	1,030,654	1,741,621	2,616,025	3,683,846	4,980,032	6,545,282
Market Share	9.54%	13.66%	17.42%	20.87%	24.04%	26.96%

Table 3: Market Penetration Timetable

Using a conservative approach, to understand Forall Phones' possible market share, a 40% constant market reach was used, due to the fact that the population is growing, as well as the willingness to buy refurbished smartphones, meaning the number of individuals eager to buy a refurbished smartphone will increase, and Forall Phones will be able to reach them due to the know-how acquired along the years. Moreover, an increasing conversion rate was considered, since the firm will gain knowledge and brand awareness to convert better the individuals reached into sales. Those percentages were applied to the forecasted industry sales, for both positive and negative scenarios.

The expected market share in both scenarios is outstanding in the refurbished smartphone market, starting at approximately 9-10% in 2020, and reaching around 26-27%.

The Market Entry-Conditions in Norway are similar to the ones Forall Phones would face in other EU markets, since by being part of the EEA EFTA agreement, Norway shares homogenous trade barriers, standards and regulations, documentation and similar transportation conditions, registrations, payment and financing methods. Forall Phones is already complying with the Portuguese legislation, which gives an advantage when going to Norway, given that the standards and policies are uniform.



5.4. In-Depth Norway Analysis

5.4.6. Market Entry-Conditions

Tariff and Non-Tariff Trade Barriers

Norway participates in the EU single market through the EEA EFTA agreement, thus the European trade policy rules are applied. Furthermore, there are no considerable restrictions regarding the trade of mobile phones.³³

Regarding tariff trade barriers, Norway concedes privileged tariff rates to the EEA members, as goods imported from an EEA country are import duty free. Nevertheless, the imported products are subjected to a 25% VAT.³⁵

Documentation

The documentary requirements include a commercial invoice, with a minimum of two copies, that must have the name and address of both seller and consignee, the date of invoice and purchase, the number and weight of the packages, the type and quality of goods, the price (including discounts and rebates), the insurance, the conditions of payment and the terms of sale and delivery. Moreover, other documents required are the bill of landing (bill to order is acceptable), the packing list (for customs clearance), the certificate of insurance and the weights and measures (when the good is packaged).³³

Payments and Financing Methods

Regarding the quotations, they can be done in Euro or Norwegian Kronor (NOK). Moreover, most of the import transactions made by Norwegian clients have a common 30, 60 or 90 day accounts or a payment against documents. Concerning the payment methods, the majority of payments is done via electronic funds transfer, as debit and credit cards, online banking and e-payment. However, the letter of credit's use is increasing among importers due to its cost, time and ease of getting credit ratings in Norwegian, resulting in higher safety and transparency.³³ Finally, all financing methods are available to foreign investors and comprise financing from banks. For example, banks grant overdrafts and mortgages, and can assist in the issuance of financial instruments.³⁴

Transportation

In the Logistics Performance Index, Norway achieved the 21st place in 2018, meaning it has one of the best performances of the world when it comes to trade logistics. The customs, transportation infrastructure, international shipments, logistics competence, tracking and tracing and timeliness were assessed and Norway only falls behind 12 European countries by small differences in the score.³⁶

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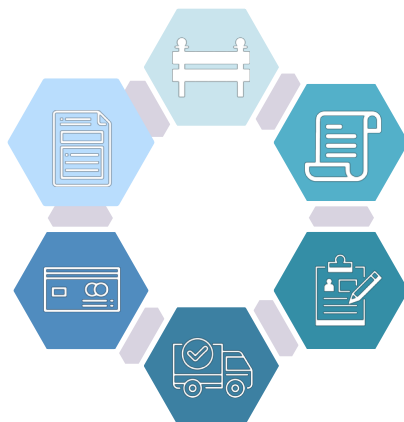
Standards and Regulations

In Norway, the packaging should meet the required EU legislation, in order to reduce the impact on the environment, and the labelling regulations of the European Council should be met. Moreover, the CE mark is obligatory conform the law.³³

Additionally, the Norwegian Electrotechnical Committee is a member of the European Committee for Electrotechnical Standardization (CENELEC), thus, the electrical equipment regulations in Norway are in conformity with the Portuguese ones. Also, the CENELEC and the European Committee for Standardization try to ease the access of the standards to SMEs.³⁷

Registrations

A company wanting to conduct a business in Norway should be properly registered to be able to access the services from public authorities and other organisations. By doing the registration of the business, the foreign company will get a Norwegian national identity number, which can be temporary or not. Moreover, the Norwegian branch needs to have a designated contact person, which does not need to have Norway as its residence, however, must carry a Norwegian national ID, even if temporarily. As mentioned previously, the registration of the enterprise can be done in the Brønnøysund Register Centre, as well as the application to obtain a temporary national ID.³⁸



Taking into consideration all the facts covered in the in-depth analysis, one can state that Norway is an extremely attractive country for companies operating in the refurbished smartphone industry. Having that in mind, some steps will need to be made in order to succeed abroad, as working towards the loyalty of the consumers.



5.4. In-Depth Norway Analysis

5.4.7 Conclusions

1 2 3 4 5 6 7 8 9

Key Takeaways

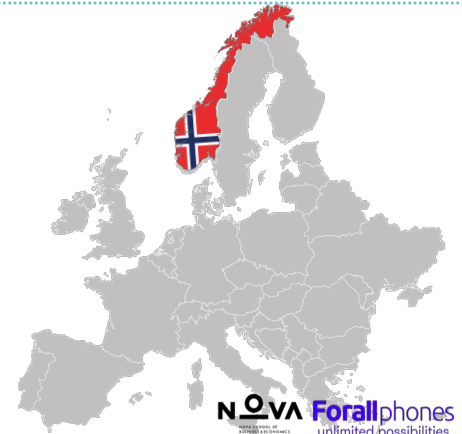
- Norway has a **robust economic performance**, enhanced by the strong trade terms with the EU. Furthermore, the **circular economy** is one of the Government's main concerns.
- Moreover, **English** is commonly spoken by Norwegians.
- The biggest **competitors** are mobile operators that sell refurbished smartphones, which is not the core business. The remaining firms are focused on the refurbishment of smartphones and other devices, similar to Forall Phones.
- The Benchmarking showed that the Portuguese firm can fulfil the customer's **low choice gap** while practicing competitive prices. Additionally, in terms of **price-quality**, Forall Phones appears to be the best-positioned player. Nevertheless, the **trust** of the customers is key for success, since Norwegians tend to prefer national brands.
- The market sales potential is highly promising, with a 1 and 5-year **CAGR of 7.35% and 12.65%**, respectively. Thus, the market is growing, which combined with the **moderate market concentration**, gives to Forall Phones the chance of winning a reasonable market share.
- When it comes to the market entry barriers, if a firm becomes a **certified refurbisher** and has the **financial capabilities** to expand to Norway, the barriers should be considerably lower.
- The **Market Entry-Conditions** are similar for all the EEA EFTA members, including Norway. Moreover, Forall Phones is already complying with the Portuguese legislation, and therefore, with most standards of Norway.

Further Considerations

- To compete in the intense Norwegian market, Forall Phones can take advantage of the **lower home country's labor costs**, in the case the firm decides to continue to do the iPhones' refurbishment in Portugal, by leveraging the lab and the technicians.
- Furthermore, the firm should emphasize the **high-quality refurbishment**, which is key for the Norwegian consumer, as well as the **huge variety** of models it can offer. Increasing the consumer's perceived value and loyalty is essential, and Forall Phones should establish a community of influencers and shapers to do it efficiently.
- The fact that the **transportation infrastructure** in Norway is one of the best in the world can ensure that Forall Phones will continue to have an **efficient operational process**, resulting in reduced customers' waiting time.
- It is advisable for the company to leverage its **online channel** since all the players in the Norwegian market have one, meaning it is essential to conduct the business, as identified in the industry trends. The best option would be for Forall Phones to translate to Norwegian, however, English would also be a good option, since it is a widely used language in Norway.
- Finally, Forall Phones should consider enhancing the **sustainable vision**, because it is valuable for Norwegian customers, and it would be interesting to add sustainable products as a complement to the iPhones.

Limitations

- The first limitation that should be enumerated is the lack of information about the sales of two of the players, which were computed by making some assumptions.
- Additionally, the project had some limitations regarding the computation of the average price for the Norwegian market, since this figure was calculated regardless of the fact that some companies did not sell all the models considered and that some iPhone models might sell more than others.
- Concerning the computation of the forecast of the industry sales and of the market penetration timetable, the limitations comprise the assumptions made for the all variables used to calculate those sales.



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Forall Phones should position itself as a provider of high-quality refurbished smartphones for everyone that prefers premium technology at accessible prices. The suggested positioning statement follows the criteria of having a target, frame reference, points of difference and reason to believe.

1 2 3 4 5 6 7 8 9

7. Marketing Plan

7.2. Segmentation - Targeting - Positioning

Positioning

Points of Difference:

None of the competitors manages a community as Forall Family and most have poor social media and marketing impact, especially in Sweden.

However, in Norway, some competitors are positioned as more sustainable than Forall Phones. Overall, product diversity is quite low when compared to Forall Phones, namely in Norway.

Points of Parity:

In both countries, all competitors operate using online sales (Forall Phones' entry strategy), being pure e-commerce players in Norway, and both e-commerce and physical stores in Sweden.

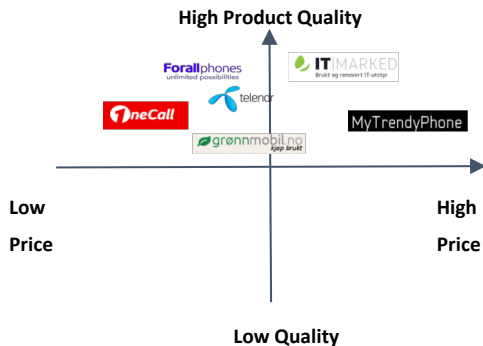
Additionally, most do the in-house refurbishment.

Remarks:

Forall Phones will adopt a **vertical differentiation strategy** due to the low possibility of product differentiation. Hence, the company should focus on what it does best: **strong interaction and communication through Forall Family**, to stand out from its competitors and bring more value to consumers.



Graph 12: Norwegian Competitors Positioning



Graph 13: Swedish Competitors Positioning



Positioning Statement:

Suitability

For everyone that needs a smartphone in their life and is passionate about affordable premium technology and the environment.

Positioning

Provider of premium refurbished smartphones at great price/quality relationship

Allowability

Make customers happier for owning a high-quality phone, with little signs of use, that cost less 40% than a new one.

"For everyone who loves premium branded technology, is concerned with the environment and would love to be the owner of an iPhone up to 40% cheaper than a pollutant new one, [TARGET]
Forall Phones is a company offering refurbished iPhones [FRAME OF REFERENCE]
that have the highest product quality-price relationship, [POINTS OF DIFFERENCE]
due to its rigorous and unique in-house refurbishment, while saving the planet smartphone by smartphone." [REASON TO BELIEVE]

Scheme 6: Positioning Statement

The product line composed by smartphones can be divided into three different levels: core, actual and augmented. The first level is characterized by the smartphone itself. Several models belong to this product line however, it needs to be continuously updated with the latest versions released by Apple.

1 2 3 4 5 6 7 8 9

7. Marketing Plan

7.3. Marketing Mix - Product

Product levels

Forall Phones' smartphone offer to the consumer can be categorized into three different levels: core, actual and augmented.

Core Product Level

The core level concerns what consumers are really buying, therefore, the company offers the iPhone itself. Forall Phones' core product offer is limited to the models and upgrades Apple releases, meaning that the company is constrained by the primary market offer. Given this, the company should keep offering the latest version of iPhones and avoid stock-out scenarios.

The current offer is the following:



Figure 1: Product Offering

The company should allow consumers to purchase a glass protector and have it applied before shipping. Packaging should have new materials used in its production. It should be made with 100% recycled materials and minimum printing allowing for better and easier recyclability.

7. Marketing Plan

7.3. Marketing Mix - Product

1 2 3 4 5 6 7 8 9

Actual Product Level

The actual level is characterized by the attributes of the product, which can be separated by features, designing and branding, and packaging.

Product Features, Designing and Branding



Colors

Space Gray
Silver
Gold
Rose Gold
Black/Jet Black
Red
Others



Memory

16 GB
32 GB
64 GB
128 GB
256 GB

Characteristics to maintain:

- Offer all types of specifications
- Include a phone charger and cable
- Given the product specification, there is no room for design improvements so the company should keep the exact same product design like Apple, as it is already seen as a stylish product.
- Forall Phones should also maintain the same company's name in the international markets since it is allusive to its mission and keeping it aligned with the goal of becoming a global brand.

Characteristics to add:

- It is recommended that Forall Phones should allow consumers the possibility to purchase a glass protector separately to be applied before shipping.



Categories

Category A
Category B
Category C



Additional



Charger
and Cable



Protection
Glass

Packaging



Figure 2: Illustrative figure of the Packaging



The instructions book should keep the same format it has in Portugal, however, an English-Norwegian and English-Swedish versions should be included.

The augmented level is constituted by a warranty of 1-year for both countries, which increases the trust in product quality. Moreover, the company should offer a plantable paper, embedded with seeds, with a personal message, in order to increase consumers' perception of the company's positioning strategy.

1 2 3 4 5 6 7 8 9

7. Marketing Plan

7.3. Marketing Mix - Product

Augmented Product Level

This level includes all the additional customer services and benefits. The company should offer a warranty and a plantable paper with a message, aiming to provide the consumer with an engagement feeling with the company.

Warranty



It is recommended to keep the one-year warranty offered in the home market, when entering Norway and Sweden since it increases trust in product quality. Although some Swedish competitors offer a longer warranty period, it is believed that this is not a critical decision factor for consumers, as the largest players also offer a one-year warranty period.

Plantable Paper

Forall Phones already sends a message to each consumer inside the package. It is recommended that the company should use plantable paper embedded with seeds to increase the consumers' perception of the company's positioning strategy. Moreover, the consumer will have the opportunity to plant this paper and feel engaged with the company's vision and mission.



Figure 3: Illustrative figure of the Plantable Paper

Forall Phones should offer a diversified range of accessories with multiple colors and formats including cases, glass protectors, earphones, chargers and phone sockets. It is recommended a partnership with “a good company” to add a new type of eco-friendly cases to completely fulfill the needs in this product line.

7. Marketing Plan

7.3. Marketing Mix - Product

1 2 3 4 5 6 7 8 9

Accessories

Regarding accessories, they are also divided into two levels: the core and the actual level. The core level is composed of the accessories as an object, and the actual level is characterized by all the colors and patterns, shapes and designs available for each type of accessories. The following ones available in the domestic market should continue to be offered in the foreign markets:

Cases



Glass protector



EarPods/Earphones



Chargers, cables and wireless chargers



Phone sockets and supports

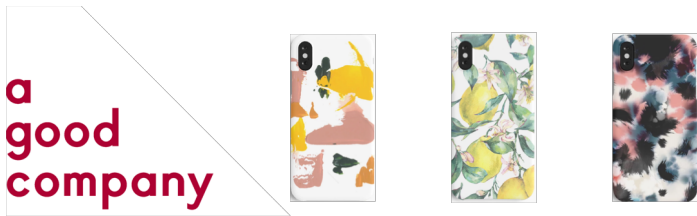


Recommendation

To completely fulfill the needs of its consumers, and provide and improve its offer of accessories, Forall Phones must introduce some eco-friendly characteristics to its accessories. Thus, it is recommended the introduction of biodegradable phone cases.

The cost of producing or buying it from specialized distributors would not be attractive. Therefore, it is advisable that the company partnerships with a strong local firm that produces and sells these kinds of products.

As an example, the Swedish firm “a good company” is specialized in climate-positive mobile cases made from linseed plants grown in a local farm in Sweden. These are available for 8 different iPhone models and in 26 vibrant designs. Moreover, the company’s mission “We exist to create thoughtful, sustainable and elegant everyday products” and current positioning strategy could be highly beneficial for Forall Phones. Thus, this partnership should allow Forall Phones to sell “a good company” cases on their website, always under the Swedish company’s brand.



Forall Phones’ products have functional and symbolic benefits associated, as well as, pre-consumption, purchase and consumption costs. Regarding the product mix, this should remain the same for home and foreign markets, except for the length increase in the accessories’ product line with the partnership with “a good company”.

7. Marketing Plan

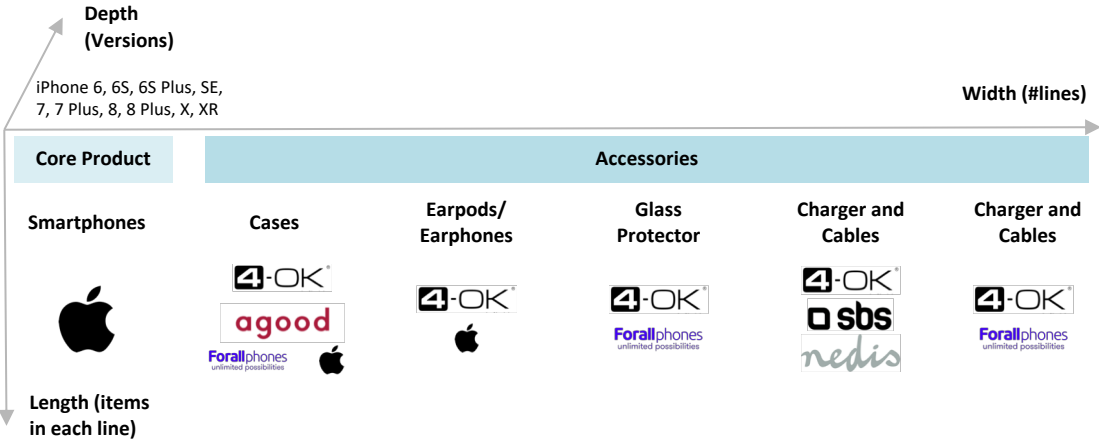
7.3. Marketing Mix - Product

Product Value



Product Mix

The current product mix of Forall Phones is going to be the same for the international market, except for cases that should suffer an increase in the length with the introduction of the plant-based cases. It is important to notice that over the years, with the release of new models of iPhones and earPods, the depth of these products mix will also increase.



Scheme 7: Product Mix Dimensions



Benefits

The benefits of refurbished iPhones are mainly functional, allowing consumers’ access to premium smartphones with all iOS’ capacities and functionalities needed for the day-to-day, at a lower price compared to new iPhones. Moreover, given the high-status Apple products are known to offer, Forall Phones’ products will also provide these symbolic benefits.



Costs

Smartphones have **pre-consumption** temporal costs given the effort to gather information about the product. When **purchasing** the products, consumers have economic costs associated with paying the smartphone. Moreover, by using an e-commerce strategy, consumers also have temporal costs of browsing the website and finalizing the purchase and, later, the waiting time for the iPhone to be shipped and delivered to its final destination. Finally, there are also some **consumption** costs due to the learning period required depending on the level of the software knowledge and maintenance costs to keep using the product over time.

By adopting an e-commerce entry strategy for both target markets, Forall Phones will place its products on its website. This will be available for computer and smartphone formats, with language and currency selection options.

7. Marketing Plan
7.3. Marketing Mix - Place

By entering the market with an e-commerce strategy, Forall Phones’ distribution channel is the company’s online sales platform. This platform should be the same as the domestic market with the introduction of more languages and currencies options to adapt to both international markets.

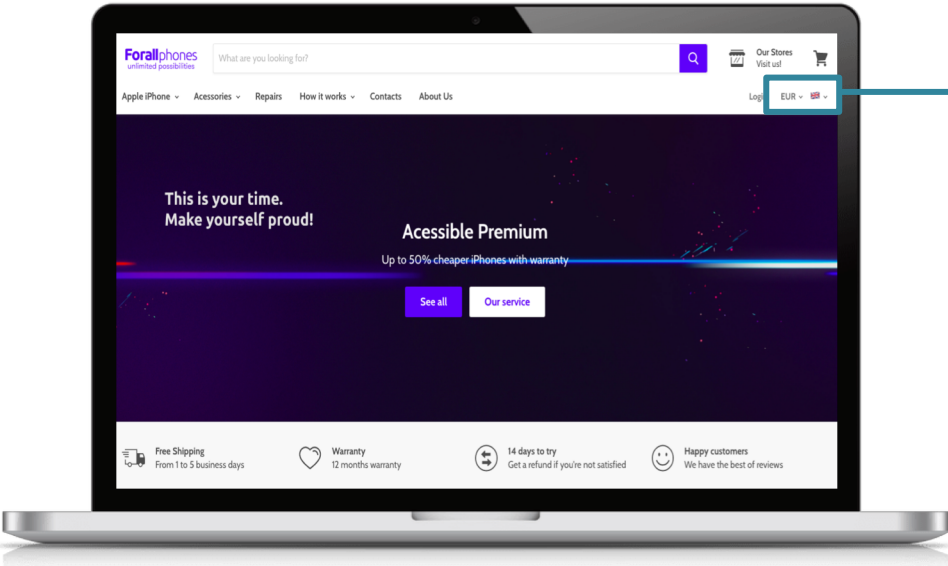


Figure 4: Illustrative figure of Forall Phones’ Website

Available Languages:



Available Currencies:



EUR



SEK



NOK

With Smartphone screen size

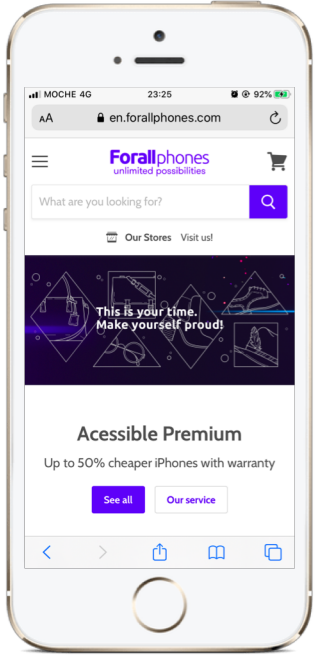


Figure 5: Illustrative figure of Forall Phone’s device website

Forall Phones should practice the same price in all markets and remain using the same product line and captive-product pricing strategies. Looking at the Value Pricing Thermometer, it is possible to understand that the customers' perceived value is above the average price, allowing the company to be attractive in the new markets. To remain competitive, the company must align its marketing efforts to create brand awareness.

7. Marketing Plan

7.3. Marketing Mix - Price

Price Strategy



Smartphone Pricing Premise¹

The company should adopt the same price in the domestic and international markets, leveraging the same online platform which can result in lower management, maintenance and domain costs. Also, both countries have similar geographic and purchasing behavior. Moreover, given the medium-high level of competitiveness and industry rivalry, increasing the price in either one of the countries is not a feasible option, especially since Forall Phones' current prices make it one of the most expensive players in Sweden.

Consumers in both markets are **price sensitive**¹ given:

- Low differentiation between product alternatives
- Easy comparability
- Reference prices are available
- Generally sophisticated consumers
- Low switching costs

However, in Norway, consumers are willing to pay a premium when higher quality is guaranteed.



Accessories Pricing Premise

For accessories, Forall Phones should keep the **captive-product pricing strategy**² used in the domestic market, since these products are complementary to smartphones and thus, the price must be set accordingly.



Smartphone Pricing Strategy

The company should follow a similar pricing strategy as it already employs:

1. Set a price ceiling and floor of 10% and 50% discount of the same model's price in the primary market; 2. Adopt a **product line pricing strategy**² with different prices for each model, features and rank. Currently, Forall Phones sets an 8.5% price difference between consecutive ranks and applies lower discounts to more recent models.

Although the company usually performs a competitors' price benchmarking, it is not feasible as both international markets have several players practicing extensively different prices among them. Also, as suggested, the same online platform will be used, thus prices should not be discriminated between countries.

To compute Forall Phones average price the following approach was used:

Average Price (€468) - an average market price for the domestic and international markets was estimated using a weighted average* of Forall Phones' current price considering all models, memory capacity and rank. Nevertheless, to ensure profitable operations, it is crucial to use marketing efforts to secure a consumers' perceived value above the average price in both countries.

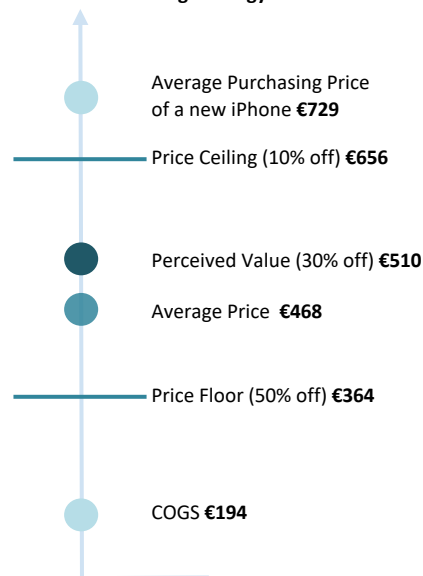
The company's ability to create value was assessed with the following variables:

Average Purchasing price of a new iPhone (€729) - as the performance differential between both products is similar.

Customers' Perceived Value (€510) - using the survey results as a proxy, most respondents (39%) answered that the minimum acceptable price discount should be 30%. Nevertheless, the Nordic consumer is prone to sustainable purchases and knows that refurbished goods can have high quality, thus, the perceived value is large. Moreover, the higher prices charged in Norway suggest that Norwegian individuals have a greater perceived value than Swedish.

1 2 3 4 5 6 7 8 9

Scheme 8: Forall Phones Pricing Strategy



***Remarks:** It was assumed that the model with most demand, in 2020, will be the iPhone 8, since currently, the iPhone 7 represents the majority of sales, which will be more outdated next year, taking the second-highest ponderation. Older versions are becoming obsolete, having less impact on this average, the opposite scenario of recent models.

The 6 M's model was used to evaluate marketing communications. The main communication objective is to create brand awareness to high involved, rational and emotional Millennials and Centennials. Therefore, the communication should be focused on the best attributes and qualities of the company.

1 2 3 4 5 6 7 8 9

7. Marketing Plan

7.3. Marketing Mix - Promotion¹




Mission

Literature Review: The **FCB Grid** allows advertising strategists to understand the purchasing behavior of consumers and how to develop a communication strategy accordingly.²

Refurbished smartphones are considered to be **high involvement** purchases as they are expensive commitment products, despite being second-hand goods, and consumers usually search for information and compare different products beforehand, leading to a **rational purchase**. Moreover, Norwegian and Swedish consumers have environmental concerned behaviors and present a large demand for sophisticated and high-quality products, associating a certain level of **emotional** commitment to refurbished smartphone purchases.

Graph 14: Forall Phones Positioning in the FCB Grid

	Thinking (Rational)	Feeling (Emotional)
High Involvement	Commitment Products 	Appearance Products
Low Involvement	Habitual Products	Impulse / Self-Satisfaction Products

From the FCB Grid Framework, Forall Phones' Promotion strategy mission should create **brand awareness** to meet the consumers' rational thinking when searching for possibilities. Finally, this mission should also **promote the emotional feeling regarding the low carbon footprint and high-quality products** Forall Phones offers, aiming to increase consumers' perceived value.



Market

Promotion should be developed in order to reach Millennials and Centennials. These segments are characterized for making high-quality and brand driven purchases, while looking for more environmental-friendly options. Moreover, these segments are highly influenced by social media and online reviews.

Centennials
15-21y



Millennials
22-37y



Message

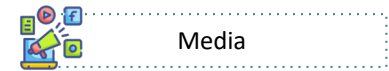
The promotion message should communicate the company's best attributes and qualities:

- Youth spirit and high potential growth company
- Environmental concerns
- High product quality
- Strict and reliable in-house refurbishment process
- Apple product focus and specialization

Communication will be delivered through the most popular channels among consumers. The online direct marketing will be made through email and whatsapp, the social media marketing will be performed on Instagram, Facebook and Twitter, and the content marketing will be available at Forall Phones' blog.

7. Marketing Plan

7.3. Marketing Mix - Promotion



Media

Forall Phones' promotion should be delivered through: online direct marketing, social media marketing, content marketing, search engine marketing and the **Community**.

Online Direct Marketing

Millennials value emails and mobile apps as the ultimate shopping information platform.¹ Forall Phones should continue sending emails with marketing content, similar to what it does in Portugal. Moreover, given WhatsApp's large usage rate in both countries, SMS marketing should be considered through this messaging platform, which can also be used as a direct customer service channel.

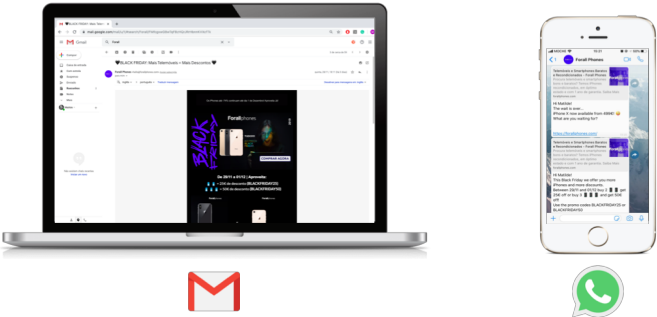


Figure 6: Illustrative figures of Forall Phone's online direct Marketing through e-mail and WhatsApp

Social Media Marketing

1 2 3 4 5 6 7 8 9

The company should keep their social media networks updated on Facebook, Twitter and Instagram, as those are the most used networks in Norway and Sweden.²



Figure 7: Forall Phones Social Media pages

Content Marketing

Forall Phones should continue its content marketing for international markets in order to better communicate its environmental concerns and high-quality products, publishing content that consumers are interested in. The company should leverage it by increasing the current posts on the blog, making it available for all languages and direct this content to each market.

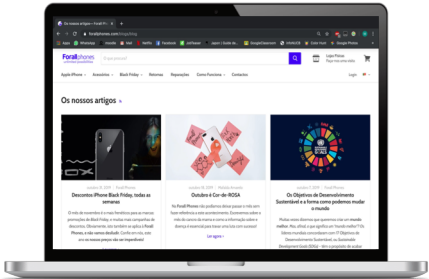


Figure 8: Forall Phones Blog

Forall Phones has to invest in SEO and Pay-per-click search ads to increase online visibility and engagement. Moreover, in order to reach the majority of the target segments, the company has to leverage its community by making structural changes with personnel increase.

7. Marketing Plan

7.3. Marketing Mix - Promotion



Media

Search Engine Marketing

Forall Phones has to invest in Search Engine Optimization (SEO) and Pay-per-click search ads. To achieve an efficient SEO, the company has to translate its entire website to Swedish and Norwegian and allow viewing prices in the respective currencies, so that the outcomes are the expected when consumers search for keywords in their own language. Regarding paid search ads, the company needs to allocate financial resources in order to benefit from Google paid ads visibility when consumers search for critical words associated with Forall Phones.

Some Keywords:



- Renoverad iPhone
- Semi-ny iPhone
- Renoverat mobiler
- Begagnad iPhone



- Pusset iPhone Norge
- Semi-ny iPhone
- Renover smarttelefon
- Brukt iPhone



Keywords Translation:

- Refurbished iPhone
- Semi-new iPhone
- Refurbished smartphone
- Used iPhone

Legend: Paid Organic

Community

To reach both target segments, one of the most important communication channels to increase brand awareness is the Forall Family, a community constituted by university students and local social media influencers. These community members will receive a percentage of the sales made using their personal promo code, similarly to the Forall Family payment process in Portugal.

Forall Phones should approach influencers aged 25 to 34 years (that constitutes 54% of total influencers)¹ and 18 to 24 years old (31% of total influencers)¹ since almost 50% of both target segments value influencers with similar lifestyles to their own and are more easily influenced by people they aspire to be². Thus, the target segments must be reached through similarly-aged individuals.

Moreover, to properly build the community, which is believed to be the main source of revenue in the first years, a proper Management Team is needed. Thus, it is recommended that the firm should increase its personnel by hiring:

Norwegian
Community
Builder



Swedish
Community
Builder



Community Builders should be residents in each target market, and hired a few months before starting activities in the country, allowing them to visit the Portuguese HQ and understand the company's operations. Moreover, they should be responsible for representing the company in each country and contacting influencers and students, welcoming them to the Forall Family.

Community Manager



The Community Manager should work in the HQ, supporting both countries Community Builders, alongside with the current manager Forall Phones has to manage this valuable asset, ensuring a sustainable relationship with the Community members.

Important Note: For a classic entry strategy approach this may not seem feasible as the company is not following direct sales neither establishing a subsidiary in any of the countries. However, by following an e-commerce entry mode, Forall Phones needs to ensure the right perceived value and online presence. This can be achieved through an effective communication strategy, which can be attainable by leveraging this capability.

Communication expenditures are mainly related to the hiring costs associated with the personnel increase to manage the community, click costs, the promo-code discounts and Forall Family fees. Finally, promotion efforts should be measured with improvement in social media followers and the achievement of key targets.

7. Marketing Plan

1 2 3 4 5 6 7 8 9

7.3. Marketing Mix - Promotion



Money

To have effective communication, several costs must be considered. For the scope of the analysis, only the additional costs required to perform the communication in the international markets will be analyzed. The expected costs are:



Increase of 30% in packaging costs due to the introduction of a new package made with recycled materials, instruction book's translation and the addition of the plantable sheet paper.



Hiring costs associated with the need for a personnel increase to manage the community in each country and a community manager to assist and coordinate Forall Family in both countries. The expected monthly salaries are €1,200 for the Community Manager, and €4,673 and €3,340 for the Norwegian and Swedish Community Builders, respectively, taking into account monthly average gross salaries of each country.



Higher sales through promo-codes of Forall Family are expected and thus higher costs are also expected. The same values of Portugal will be applied in the international markets: 10€ discount for each promo-code used on the website and 17€ paid to the community member per phone sold.



During the first years, more clicks in the paid search ads are expected. In Norway, each click costs 1.35€ while in Sweden, the costs per click are 1.16€.

Furthermore, the company may incur into additional costs that were not taken into consideration for this analysis:

- Costs associated with website translation, namely in the case of hiring a professional translator to perform this task, if the in-house translation is not possible.
- Costs associated with additional salaries required to pay for the new social media management team if the markets' performance exceeds expectations.



Measurement

The marketing efforts impact should be assessed by the company's ability to:

- Improve key figures
- Achieve key targets



Key Figures to improve: Social Media Followers

In the main social media networks, Forall Phones has the following number of followers:



52.4K



82K



470

Since the main communication channels should be social media, the number of followers should be a measure of its impact. Both target segments are avid social media users therefore, these figures should be **improved** in the upcoming years.

The key targets Forall Phones should achieve were set to improve customers reached organically, whereas Forall Family and paid clicks share of total revenues is targeted to decrease over time. To set the conversion rate, a conservative approach was followed, defining the same target for the 5.5-year plan. However, as the company increases brand awareness, this conversion rate is expected to rise.

7. Marketing Plan

7.3. Marketing Mix - Promotion



Key Targets to achieve:

From the company’s current rate of market reachability and conversion, the following targets were set for Forall Phones to achieve in both countries:



Table 10: Norway Reach Target by Channel

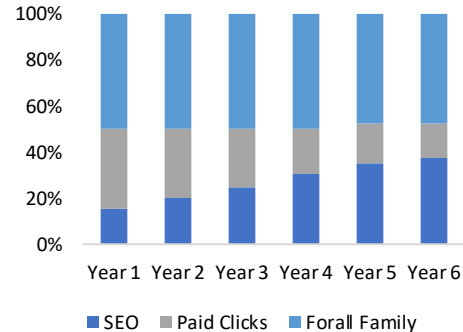
	2020	2021	2022	2023	2024	2025
Market Size*1	302,738	341,049	384,208	432,828	487,601	549,306
Market reach	40%	45%	55%	60%	65%	70%
Reachable Market Size	60,548*2	153,472	211,314	272,682	332,788	4422,966



Table 11: Sweden Reach Target by Channel

	2021	2022	2023	2024	2025
Market Size*	470,062	498,054	527,712	559,137	592,433
Market reach	40%	45%	55%	60%	70%
Reachable Market Size	188,025	224,124	290,242	335,482	414,703

Reach



It is expected that the SEO reach increases over the period of operations whereas paid clicks rate is expected to decrease. Although both target countries’ consumers are well educated regarding the industry, the large market gap suggests that there is still a margin of improvement. Therefore, it is expected a low SEO at first but increasing over time, as consumers not only become more aware of the company but also the industry.

Conversion



Paid Clicks: 1%



SEO: 3%



Forall Family: 5%

- Paid clicks were set to have the lowest conversion rate as they depend on the financial resources allocated and keyword planning.
- Organic searches have a higher conversion rate since people who reached the website through this channel were already searching for the products Forall Phones can offer. Thus, there is an increased probability they will end up doing a purchase on their website.
- Forall Family has the highest conversion rate since members of the community will mostly reach their peers, and it is proven that people tend to trust more recommendations from friends and family rather than other types of advertisement.

Graph 14: Forall Phones Social Media pages

*1 Market Size estimated with the customers that would buy refurbished smartphones in each year; *2 Reachable market size of 0.5 years of operations in 2020

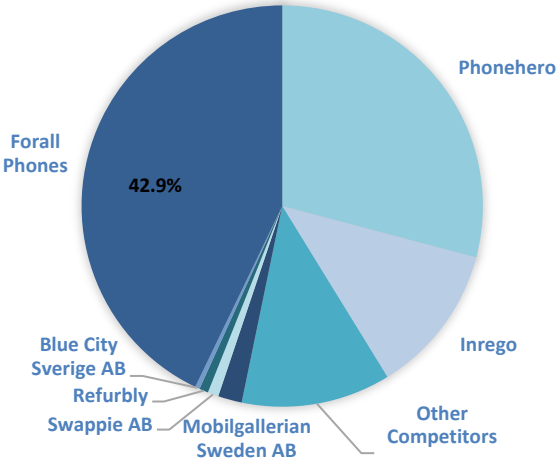
Between the biggest competitors, Forall Phones can achieve a high market share in Sweden and Norway by 2025. This is a scenario that considers the current situation, where competitors are small and have revenues 16 times smaller than the one Forall Phones has. Combining the affordable iPhones with high quality that Forall Phones provides, with its marketing strategy, there is a large potential for the company in both markets.

8. Financial Plan

8.1. Market Size, Market Share and Revenue Estimation



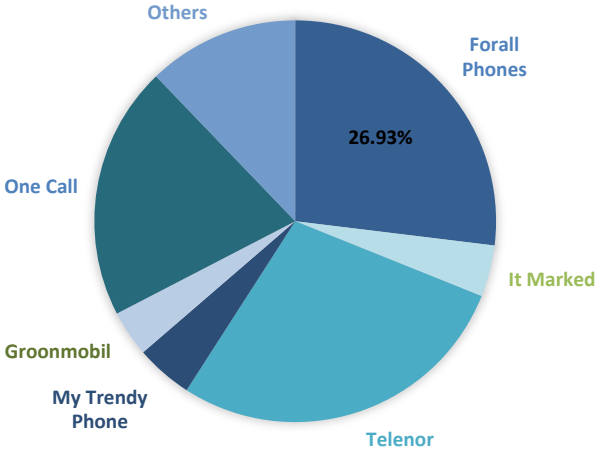
Graph 15:Market Share in Sweden - 2025



In 2025, it is expected that the total revenues of all companies in the Swedish market will achieve approximately €17 million, including VAT.
The market shares above are Forall Phones forecasted market share in Sweden.



Graph 16: Market Share in Norway - 2025

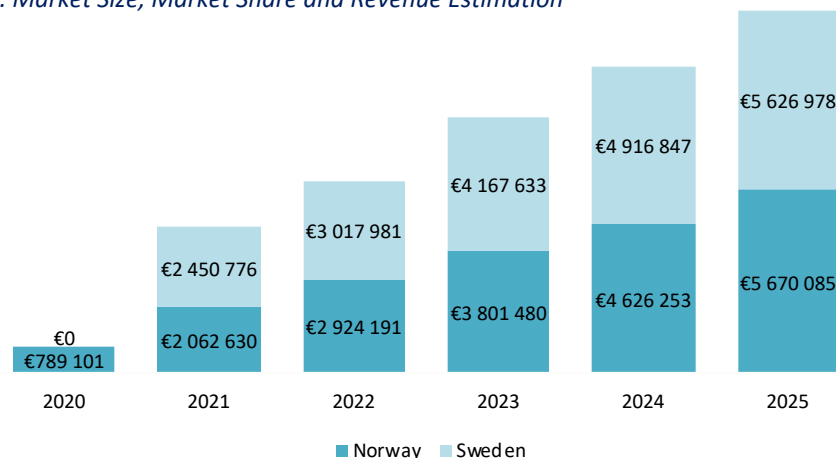


In 2025, it is expected that the total revenues of all companies in the Norwegian market will achieve approximately €25 million, with VAT included.
The market shares above are Forall Phones forecasted market share in Norway.

After expanding to Norway in mid-2020 and to Sweden in 2021, total revenues are expected to reach an amount of €11.3M in 2025. The contribution of each country to this value is expected to be practically the same in 2025, especially due to the 5-year CAGR of 12.65% in Norway, which is higher than the Swedish CAGR of 5.95%.

8. Financial Plan

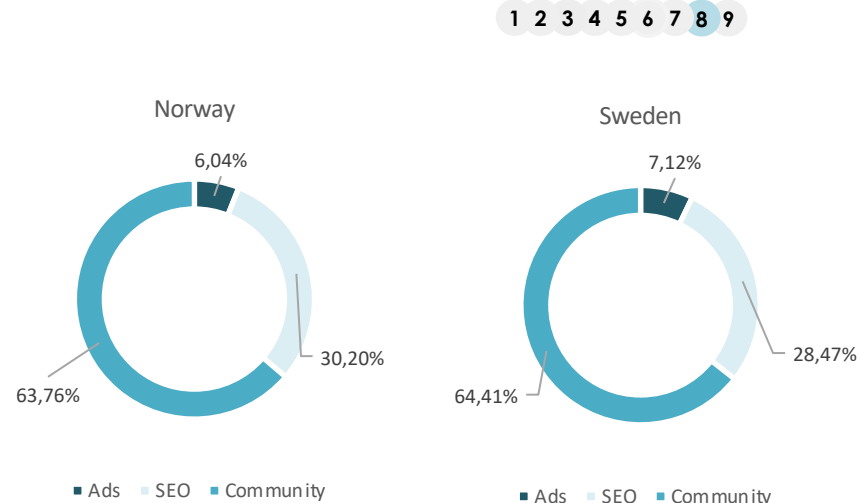
8.1. Market Size, Market Share and Revenue Estimation



Graph 17: Net Revenues (without VAT)

- In 2020, revenues will derive solely from Norway, being the result of only half-year of operations. From 2021 onwards, revenues will go up with the introduction of Sweden in the expansion strategy. Sweden will start by contributing more than Norway for the total amount due to a higher target market size.
- In 2025, the revenues per country will be practically the same, representing 50% of the total amount of €11.3M. However, it is possible that Norway will outperform Sweden due to its higher 5-year CAGR of 12.65% when compared to the Swedish CAGR of 5.95%.
- It should be noticed that the Sales' growth is linear because only the online channel is being considered. In Portugal, the company only had exponential growth in Revenues after opening physical stores and, in the current study, this scenario was not considered due to the high commitment that it requires. Moreover, it is also assumed unchanged conversion rate over the period, leading to the sales growth linear trend rather than exponential.

Sources: Methodology Available in Appendix 12; Financial Plan data and detailed analysis available in Appendix 13.



Graph 18: Revenues per Channel (in 2025)

- In 2025, most of the units sold by Forall Phones will be realized through the Community of Shapers and Influencers. Once again, this shows the importance of Forall Family in creating value for the company, accounting for more than 60% of the units sold in each country.
- Due to the investment in Search Engine Optimization (SEO), the company will be able to gather 30.20% and 28.47% of Sales in Norway and Sweden, respectively, through the improved visibility of the firm's website.
- Lastly, the contribution of Ads in Social Media in the volume of sales will be relatively low, due to the small reach of this channel when compared to the other methods, in 2025.